

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

JUL 31 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

CC Docket #96-98
~~62-100-000~~

In the Matter of)
)
ALTS' Request for Clarification of the) CCB/CPD 97-30
Commission's Rules Regarding Reciprocal)
Compensation for Information Service)
Provider Traffic)

REPLY COMMENTS

Sprint Corporation hereby respectfully submits its reply to comments in the above-captioned proceeding regarding a request by the Association for Local Telecommunications Services (ALTS) that the Commission clarify its rules regarding reciprocal compensation for information service provider (ISP) traffic. As shown below, the Commission should grant ALTS' request, and clarify that all calls to an ISP made from within a local calling area should be treated as local calls, subject to reciprocal compensation agreements.

With the exception of four incumbent LECs, all commenting parties supported the view that nothing in the Commission's *Local Competition Order* requires that calls made to an ISP from within a local calling area be treated differently from other local traffic, and that such calls remain subject to reciprocal compensation agreements.¹ These parties -- representing IXC's, CLEC's, ISP's, and a state PUC -- point out that the Commis-

¹ See, e.g., Sprint, p. 1; AT&T, p. 2; MCI, p. 1; ACC, p. 3; Brooks Fiber, p. 3; Dobson, p. 4; Teleport, p. 2; Worldcom, p. 5; America Online, p. 1; CompuServe, p. 4; Cox, p. 3; New York Dept. of Public Service, p. 2.

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sion has consistently treated ISPs as end users for access charge purposes (most recently in its May 16, 1997 *Access Reform Order*), allowing ISPs to obtain service out of the ILECs' local service tariffs and exempting ISPs from payment of interstate access charges. Numerous parties also pointed out that an end user's call to an ISP's local access number terminates at the called telephone number (the ISP modem pool), and that the ISP should accordingly be treated as any other end user called party.² Parties supporting ALTS further note that several state commissions have already concluded that ISP calls are local for purposes of reciprocal compensation;³ that at least one BOC, Bell Atlantic, treats calls to its ISP under its CEI offering as local calls;⁴ that the reciprocal compensation provisions of existing interconnection agreements make no exception for local calls to ISPs;⁵ and that the BOCs' refusal to pay reciprocal compensation discriminates against ISPs (by treating them differently from any other end user) and impedes local competition by discouraging use of CLEC local services.⁶

Moreover, there is nothing in the recent decision by the Eighth Circuit Court in the interconnection appeal which overturns the Commission's policy of treating ISPs as end users. Nothing in the ALTS petition requests that the Commission assert jurisdiction

² See, e.g. Sprint, p. 2; Dobson, p. 4; KMC, p. 5; AOL, p. 7; ACC, p. 4; Teleport, p. 2; Worldcom, p. 8.

³ See, e.g., Teleport, p. 5; Worldcom, p. 11.

⁴ See, e.g., Teleport, p. 7; Dobson, p. 6; AOL, p. 9; Cox, p. 3.

⁵ See, e.g., Cox, p. 7.

⁶ See, e.g., Sprint, p. 4; AT&T, p. 4; ACC, p. 6; AOL, p. 11.

over the specific reciprocal compensation rates; instead, the petition merely asks that the Commission clarify that, as has been the treatment to date, local calls to ISPs are eligible for reciprocal compensation. In any case, no state has adopted any regulation or approved any interconnection agreement which undermines or invalidates the clarification requested by ALTS, so there is no jurisdictional conflict at issue here.

In contrast to this multitude of reasons why local calls to ISPs should be subject to reciprocal compensation, the four ILEC representatives which filed in this proceeding -- Ameritech, Cincinnati Bell, SNET and USTA -- assert that ISP calls are interstate and thus ineligible for reciprocal compensation. The heart of their objection to paying reciprocal compensation for local ISP calls is that traffic to ISPs violates "the main assumption behind reciprocal compensation. . . . Since ISP traffic is 'terminating only' traffic, compensation flows in only one direction" (SNET, pp. 2-3).

Both of these arguments are unavailing. As even the ILECs agree, the Commission has consistently granted special treatment to ISP traffic, classifying them as end users for access charge purposes and allowing LECs to treat calls to ISPs as local for separations and other reporting purposes. The decision to treat ISPs as end users remains Commission policy, and there is no reason why ISPs should not be classified as end users for purposes of determining reciprocal compensation as well.

The fact that ILECs do not earn as much reciprocal compensation as they pay out for ISP calls is irrelevant.⁷ There are many types of end users who accept more calls than

⁷ This imbalance occurs because, as the near-monopoly carrier, the BOC will hand off a greater proportion of ISP traffic to a CLEC than a CLEC will hand off to the BOC.

they originate (*e.g.*, pizza delivery companies). There is no reason to single out a particular category of end user -- ISPs -- in determining eligibility for reciprocal compensation.

Respectfully submitted,

SPRINT CORPORATION

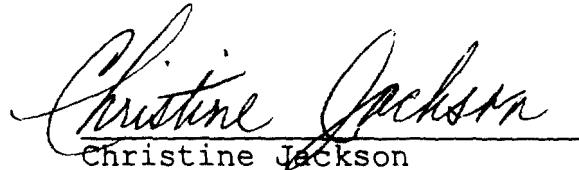
A handwritten signature in cursive script, reading "Norina T. Moy". The signature is written in dark ink and is positioned above a horizontal line.

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July 31, 1997

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **REPLY
COMMENTS OF SPRINT CORPORATION** was sent by hand or by United States first-class mail, postage prepaid, on this the 31st day of July, 1997 to the below-listed parties:


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